

House File 111 - Introduced

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BY BAUDLER

A BILL FOR

1 An Act exempting the sales price of all-terrain vehicles used
2 in agricultural production from the sales and use tax.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 423.3, subsection 8, paragraph c, Code
2 2013, is amended by adding the following new subparagraph:
3 NEW SUBPARAGRAPH. (4) An all-terrain vehicle as defined in
4 section 321I.1.

5 EXPLANATION

6 This bill exempts the sales price of all-terrain vehicles
7 used in agricultural production from the sales and use tax.
8 Under current law, an all-terrain vehicle is not exempt from
9 sales and use tax unless it is directly and primarily used in
10 production of agricultural products. "All-terrain vehicle"
11 means a motorized vehicle with not less than three and not
12 more than six nonhighway tires that is limited in engine
13 displacement to less than one thousand cubic centimeters and in
14 total dry weight to less than one thousand two hundred pounds
15 and that has a seat or saddle designed to be straddled by the
16 operator and handlebars for steering control.

17 By operation of Code section 423.6, an item exempt from the
18 imposition of the sales tax is also exempt from the use tax
19 imposed in Code section 423.5.